



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Dan Backer, Esq.
DB Capitol Strategies PLLC
203 South Union Street, Suite 300
Alexandria, VA 22314

FEB 22 2017

RE: MUR 6639
Gary Johnson 2012, Inc.

Dear Mr. Backer:

On February 3, 2017, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 52 U.S.C. § 30104(b) and 11 C.F.R. §§ 104.3, and 102.9(e), provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's implementing regulations. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy, Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Christine C. Gallagher".

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

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3 **BEFORE THE FEDERAL ELECTION COMMISSION**

4 In the matter of)

5 Gary Johnson 2012, Inc. and)
6 Christina Needham in her official capacity)
7 as treasurer)

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9 **CONCILIATION AGREEMENT**

10 This matter was initiated pursuant to a Complaint and information ascertained by the
11 Federal Election Commission ("Commission") in the normal course of carrying out its
12 supervisory responsibilities. The Commission found reason to believe that Gary Johnson 2012,
13 Inc. and its treasurer in his official capacity as treasurer ("Respondents") violated 52 U.S.C.
14 § 30104(b), 11 C.F.R. § 104.3, and 11 C.F.R. § 102.9(e).

15 NOW, THEREFORE, the Commission and the Respondents, having participated in
16 informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree
17 as follows:

18 I. The Commission has jurisdiction over the Respondents and the subject matter of this
19 proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C.
20 § 30109(a)(4)(A)(i).

21 II. Respondents have had a reasonable opportunity to demonstrate that no action should
22 be taken in this matter.

23 III. Respondents enter voluntarily into this agreement with the Commission.

24 IV. The pertinent facts in this matter are as follows:

25 1. Gary Johnson 2012, Inc. is the principal campaign committee of Gary Johnson
26 a 2012 presidential candidate. Christina Needham is Gary Johnson 2012, Inc.'s treasurer of
27 record.

28 2. The Federal Election Campaign Act of 1971, as amended (the "Act") requires
29 political committee treasurers to file reports of receipts and disbursements in accordance with the

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1 provisions of 52 U.S.C. § 30104. 52 U.S.C. §§ 30104(a)(1), 30104(b)(2)-(7); 11 C.F.R.
2 §§ 104.1(a), 104.3(a)-(c). The reports also must include the amount and nature of outstanding
3 debts and obligations owed by or to the political committee. 52 U.S.C. § 30104(b)(8); 11 C.F.R.
4 § 104.3(d).

5 3. The Act requires treasurers to keep an account of all contributions received by
6 a political committee. 52 U.S.C. § 30102(c). Commission regulations permit a candidate's
7 committee to receive contributions for the general election prior to the primary election provided
8 the committee employs an acceptable accounting method to distinguish between primary and
9 general election contributions. 11 C.F.R. § 102.9(e)(1). The committee's records must
10 demonstrate that prior to the primary election, the committee's recorded cash-on-hand was at all
11 times equal to or in excess of the sum of general election contributions received less the sum of
12 general election disbursements made. *Id.* § 102.9(e)(2).

13 4. Respondents failed to disclose \$447,567 in debts and obligations owed to nine
14 vendors on Schedule D.

15 5. Respondents deposited \$22,396 in general election contributions in Gary
16 Johnson 2012, Inc.'s primary election account, and then made primary election expenses from
17 this account. Beginning on February 21, 2012, the committee did not have sufficient primary
18 election contributions to cover its primary election expenses, and accordingly spent \$12,396 in
19 general election contributions for primary election expenses.

20 6. Respondents contend that the resulting violations of the Act and Commission
21 regulations were inadvertent.

22 V. 1. Respondents violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing
23 to disclose \$447,567 in debts and obligations.

1 2. Respondents violated 11 C.F.R. § 102.9(e) by using general election
2 contributions for primary election expenses.

3 VI. 1. In ordinary circumstances, the Commission would seek a substantially higher
4 civil penalty based on the violation outlined in the agreement. However, the Commission is
5 taking into account the fact that the Committee is defunct, has very little cash on hand, and
6 according to Respondents has a limited ability to raise additional funds. In light of these factors,
7 Respondents will pay a civil penalty to the Commission in the amount of Ten Thousand Dollars
8 (\$10,000) pursuant to 52 U.S.C. § 30109(a)(5)(A).

9 2. Respondents will cease and desist in committing violations of 52 U.S.C.
10 § 30104(b), 11 C.F.R. § 104.3, and 11 C.F.R. § 102.9(e).

11 VIII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
12 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
13 compliance with this agreement. If the Commission believes that this agreement or any
14 requirement thereof has been violated, it may institute a civil action for relief in the United States
15 District Court for the District of Columbia.

16 IX. This agreement shall become effective as of the date that all parties hereto have
17 executed the same and the Commission has approved the entire agreement.

18 X. Respondents shall have no more than 30 days from the date this agreement becomes
19 effective to comply with and implement the requirements contained in this agreement and to so
20 notify the Commission.

21 XI. This conciliation agreement constitutes the entire agreement between the parties on
22 the matters raised herein, and no other statement, promise, or agreement, either written or oral,

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made by either party or by agents of either party, that is not contained within this written
agreement shall be enforceable.

FOR THE COMMISSION:

Kathleen M. Guith
Kathleen M. Guith
~~Acting~~ Associate General Counsel for Enforcement

2/22/17
Date

FOR THE RESPONDENTS:

Christina Needham
Name: Christina Needham
Position: Treasurer

2/14/17
Date

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